

EXHIBIT A

1 The Honorable Robert S. Lasnik
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10 UNITED STATES DISTRICT COURT
11 WESTERN DISTRICT OF WASHINGTON
12 AT SEATTLE

13 JASON MOOMJY, Individually and On Behalf
14 of All Others Similarly Situated,

15 Plaintiff,

v.

16 HQ SUSTAINABLE MARITIME
17 INDUSTRIES, INC., NORBERT SPORNS
18 and JEAN-PIERRE DALLAIRE, *et al.*,

19 Defendants.

20 Case No. 2:11-cv-00726-RSL

21 **CLASS ACTION**

22 **ORDER FOR NOTICE AND HEARING**

23 WHEREAS, a consolidated class action is pending before this Court entitled *Moomjy v.*
24 *HQ Sustainable Maritime Industries, Inc., et al.*, Civil Action No. 2:11-cv-00726-RSL (the
25 “Action”); and

26 WHEREAS, the Court has received the Stipulation of Settlement dated September 28,
27 2012 (the “Stipulation”), that has been entered into by Lead Plaintiff Trigon Emerging Agri-
28 Sector Fund (“Lead Plaintiff”), and defendants HQ Sustainable Maritime Industries, Inc.
Sector Fund (“Lead Plaintiff”), and defendants HQ Sustainable Maritime Industries, Inc.
HQSM”), Norbert Sporns, Jean-Pierre Dallaire, Lillian Wang Li, Ladenburg Thalmann & Co.,
Inc. and Roth Capital Partners, LLC (together, the “Defendants”) (Defendants and Lead Plaintiff
are the “Parties”); and

29 WHEREAS, the Parties to the Action, having applied for an order determining certain
30 matters in connection with the proposed settlement of the Action (the “Settlement”), in
31 accordance with the Stipulation entered into by the Parties, and for the ultimate final approval of
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35 LAW OFFICES OF
36 **KELLER ROHRBACK L.L.P.**
37 1201 THIRD AVENUE, SUITE 3200
38 SEATTLE, WASHINGTON 98101-3052
39 TELEPHONE: (206) 623-1900
40 FACSIMILE: (206) 623-3384

41 LAW OFFICES OF
42 Cohen Milstein Sellers & Toll PLLC
43 1100 New York Avenue, N.W.
44 Suite 500, West Tower
45 WASHINGTON, DC 20005
46 TELEPHONE: (202) 408-4600

1 the Settlement and dismissal of the Action as against the Defendants upon the terms and
2 conditions set forth in the Stipulation;

3 NOW, upon consent of the Parties, after review and consideration of the Stipulation filed
4 with the Court and the exhibits annexed thereto, and after due deliberation, IT IS HEREBY
5 ORDERED that:

6 1. The Court, for purposes of this Order for Notice and Hearing, adopts all defined
7 terms as set forth in the Stipulation.

8 2. Lead Counsel is authorized to act on behalf of the Class with respect to all acts
9 required by, or which may be given pursuant to, the Stipulation or such other acts that are
10 reasonably necessary to consummate the proposed Settlement set forth in the Stipulation.

11 3. Lead Counsel is hereby authorized to retain the firm Strategic Claims Services as
12 Claims Administrator to supervise and administer the notice and claims procedures.

13 4. The Court preliminarily certifies the Class as defined in the Stipulation of
14 Settlement and otherwise approves the Settlement of the Action as set forth in the Stipulation and
15 the proposed Plan of Allocation described in the Notice, subject to the right of any Class Member
16 to challenge the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of
17 Allocation, or the fairness and adequacy of their representation by Lead Counsel, and to show
18 cause, if any exists, why a final judgment dismissing the Action based on the Stipulation should
19 not be ordered herein after due and adequate notice to the Class has been given in conformity
20 with this Order.

21 5. A hearing (the "Settlement Fairness Hearing") shall be held on ____ at ___, in
22 the United States District Court for the Western District of Washington in Courtroom 15106, 700
23 Stewart Street, Seattle, Washington, 98101, the Honorable Robert S. Lasnik presiding, to:

24 a. determine whether the Settlement should be approved by the Court as fair,
25 reasonable, and adequate;
26 b. determine whether judgment should be entered pursuant to the Stipulation,
27 *inter alia*, dismissing the Action with prejudice and extinguishing and

releasing all Released Claims and Settled Defendants' Claims (as defined therein);

- c. determine whether the Plan of Allocation should be approved;
- d. rule on Lead Counsel's application for an award of attorneys' fees and the reimbursement of expenses; and
- e. rule on such other matters as the Court may deem appropriate.

7 6. The Court reserves the right to adjourn the Settlement Fairness Hearing, including
8 the consideration of the application for attorneys' fees and reimbursement of expenses, without
9 further notice to Class Members. The Court may, for good cause, extend any of the deadlines set
10 forth in this Order without further notice to Class Members.

11 7. The Court reserves the right to approve the Settlement at or after the Settlement
12 Fairness Hearing with such modification as may be consented to by the Parties to the Stipulation
13 and without further notice to the Class.

14 8. The Claims Administrator shall make reasonable efforts to identify all persons and
15 entities who are members of the Class, including beneficial owners whose shares of HQSM
16 common stock are held by banks, brokerage firms, or other nominees. To the extent not already
17 provided, HQSM shall provide to Lead Plaintiff within five (5) business days of the entry of this
18 Order the information from HQSM's transfer records required by the Claims Administrator to
19 send copies of the Notice to the persons and entities who can be identified through reasonable
20 efforts from the stock transfer records of HQSM.

21 9. Within thirty (30) calendar days after the entry of this Order, the Claims
22 Administrator shall cause a copy of the Notice (substantially in the form of Exhibit A-1 annexed
23 hereto) and Proof of Claim (substantially in the form of Exhibit A-2 annexed hereto) to be mailed
24 by United States mail, postage prepaid, to all members of the Class, at their last known address
25 appearing in the stock transfer records maintained by or on behalf of HQSM, and to identifiable
26 nominees for Class Members. The thirtieth (30th) day after the entry of this Order shall be
27 termed the "Notice Date."

1 10. Pursuant to the Notice, each nominee shall either: send the Notice and Proof of
 2 Claim to Class Members for which they act as nominee by first class mail within ten (10)
 3 calendar days after the nominee receives the Notice; or send a list of the names and addresses of
 4 such beneficial owners to the Claims Administrator within ten (10) calendar days after the
 5 nominee receives the Notice and, in the event of the latter, the Claims Administrator shall send by
 6 first class mail the Notice and Proof of Claim to all Class Members named on the list received
 7 from the nominee within ten (10) calendar days of the receipt of such information. The Claims
 8 Administrator shall, if requested, reimburse banks, brokerage houses, or other nominees for their
 9 reasonable out-of-pocket expenses incurred in providing notice to beneficial owners who are
 10 Class Members, which expenses would not have been incurred except for the sending of such
 11 notice, subject to further order of this Court with respect to any dispute concerning such
 12 compensation. Lead Counsel shall file with the Court and serve upon Defendants' Counsel no
 13 later than twenty-one (21) calendar days prior to the Settlement Fairness Hearing an affidavit or
 14 declaration describing the efforts taken to comply with this Order and stating that the mailings
 15 have been completed in accordance with the terms of this Order.

16 11. Within ten (10) calendar days of the Notice Date, Lead Counsel shall publish a
 17 Summary Notice, substantially in the form of Exhibit A-3 annexed hereto, once in the *Investor's*
 18 *Business Daily*, and shall post the full Notice and any other appropriate documents on a website
 19 concerning the Settlement. Lead Counsel shall file with the Court and serve upon Defendants'
 20 Counsel no later than twenty-one (21) calendar days prior to the Settlement Fairness Hearing an
 21 affidavit or declaration stating that the Summary Notice has been published in accordance with
 22 the terms of this Order.

23 12. The form and method of notice specified herein is the best notice practicable and
 24 shall constitute due and sufficient notice to all persons and entities entitled to receive such notice
 25 and fully satisfies the requirements of due process and Fed. R. Civ. P. 23.

26 13. Any member of the Class who objects to the Settlement, the representation of the
 27 Class by Lead Counsel, and/or the application for attorney's fees and reimbursement of expenses,

1 or who otherwise wishes to be heard, may appear in person or by his, her, or its attorney at the
 2 Settlement Fairness Hearing and present evidence or argument that may be proper or relevant;
 3 provided, however, that no person other than the Parties and their counsel shall be heard, and no
 4 papers, briefs, pleadings, or other documents submitted by any person or entity shall be
 5 considered by the Court unless at least fourteen (14) calendar days before the Settlement Fairness
 6 Hearing such person or entity files with the Court and delivers to counsel listed below: (a) a
 7 written notice of intention to appear; (b) a statement of such person's or entity's objection(s) to
 8 any matters before the Court; (c) the grounds therefor or the reasons that such person or entity
 9 desires to appear and be heard, as well as all documents or writings such person or entity desires
 10 the Court to consider; and (d) documents evidencing that such person is a Class Member. Such
 11 filings shall be served upon the Court and the following counsel so that they are received at least
 12 14 calendar days before the Settlement Fairness Hearing:

13 **Lead Counsel for Lead Plaintiff and the Class:**

14 Steven J. Toll, Esq.
 15 Julie G. Reiser, Esq.
 16 S. Douglas Bunch, Esq.
 17 COHEN MILSTEIN SELLERS & TOLL PLLC
 18 1100 New York Avenue, N.W.
 19 West Tower, Suite 500
 20 Washington, D.C. 20005

21 **One of Counsel for Defendant HQSM:**

22 Michael D. Handler, Esq.
 23 COZEN O'CONNOR
 24 1201 Third Avenue, Suite 5200
 25 Seattle, WA 98101-7237

26 **One of Counsel for Defendants Norbert Sporns, Jean-Pierre Dallaire, and Lillian Wang Li:**

27 Marc D. Ashley
 28 CHADBOURNE & PARKE LLP
 30 Rockefeller Plaza
 New York, NY 10112

29 **Counsel for Defendants Ladenburg Thalmann & Co. and
 30 Roth Capital Partners, LLC:**

31 Miles A. Yanick
 32 SAVITT BRUCE & WILLEY LLP

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35 LAW OFFICES OF
 36 KELLER ROHRBACK L.L.P.
 37 1201 THIRD AVENUE, SUITE 3200
 38 SEATTLE, WASHINGTON 98101-3052
 39 TELEPHONE: (206) 623-1900
 40 FAXSIMILE: (206) 623-3384

41 LAW OFFICES OF
 42 Cohen Milstein Sellers & Toll PLLC
 43 1100 New York Avenue, N.W.
 44 Suite 500, West Tower
 45 WASHINGTON, DC 20005
 46 TELEPHONE: (202) 408-4600

1 1425 Fourth Avenue, Suite 800
 2 Seattle, WA 98101-2272

3 14. Any Class Member who does not object to the Settlement and/or the Plan of
 4 Allocation and/or Lead Counsel's application for an award of attorneys' fees and reimbursement
 5 of expenses in the manner prescribed in the Notice shall be deemed to have waived such
 6 objection and shall forever be foreclosed from making any objection to the fairness, adequacy, or
 7 reasonableness of the proposed Settlement, the judgment(s)/order(s) to be entered approving the
 8 Settlement, the Plan of Allocation or Lead Counsel's application for an award of attorneys' fees
 9 and reimbursement of expenses.

10 15. Any person or entity falling within the definition of the Class may, upon request,
 11 be excluded from the Settlement. Any such person or entity must submit to the Claims
 12 Administrator a request for exclusion ("Request for Exclusion"). A Request for Exclusion must
 13 be received by the Claims Administrator at least fourteen (14) calendar days before the
 14 Settlement Fairness Hearing and state: (i) the name, address, and telephone number of the person
 15 or entity requesting exclusion; (ii) the person's or entity's purchases, acquisitions and sales of
 16 HQSM common stock made during the Class Period, including the dates, the number of shares of
 17 common stock, and price paid or received per share for each such purchase, acquisition, or sale;
 18 and (iii) that the person or entity wishes to be excluded from the Class. All persons and entities
 19 who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph
 20 shall have no rights under the Stipulation and shall not share in the distribution of the Settlement.

21 16. Any Class Member who wishes to participate in the Settlement Fund must submit
 22 a valid Proof of Claim to the Claims Administrator, at the Post Office Box indicated in the
 23 Notice, postmarked not later than one hundred and fifty (150) calendar days following the Notice
 24 Date. Such deadline may be further extended by Court order. Proofs of Claim shall be deemed to
 25 have been submitted when postmarked, if mailed by first class, or registered or certified mail,
 26 postage prepaid, addressed in accordance with the instructions given in the Proof of Claim. All

1 other Proofs of Claim shall be deemed to have been submitted at the time they are actually
 2 received by the Claims Administrator. To be valid, a Proof of Claim must: (i) be completed in a
 3 manner that permits the Claims Administrator to determine the eligibility of the claim as set forth
 4 in the Proof of Claim; (ii) include the release by the claimant of all Released Parties as set forth in
 5 the Stipulation; and (iii) be signed with an affirmation (notarization not required) that the
 6 information is true and correct. All Class Members who do not submit valid and timely Proofs of
 7 Claim shall be forever barred from receiving any payments from the Settlement Fund, but will in
 8 all other respects be subject to and bound by the provisions of the Stipulation and the Order and
 9 Final Judgment, if entered.

10 17. If this Settlement is not approved by the Court or does not become effective for
 11 any reason whatsoever, the Settlement (including any modification thereof) made with the
 12 consent of the Parties as provided for in the Stipulation and any actions taken or to be taken in
 13 connection therewith (including this Order and any judgment entered herein), shall be terminated
 14 and shall become void and of no further force and effect except for the Lead Plaintiff's
 15 obligations to pay for any expense incurred in connection with the notice and administration
 16 provided for by this Order.

17 18. All proceedings in the Action, other than such proceedings as may be necessary to
 18 carry out the terms and conditions of the Settlement, are hereby stayed and suspended until
 19 further order of this Court. Pending final determination whether the Settlement should be
 20 approved, Plaintiffs and all members of the Class are barred and enjoined from commencing or
 21 prosecuting any action asserting any claims that are or relate in any way to the Released Claims
 22 as defined in the Stipulation. This Court's stay of the Federal Derivative Action, *In Re HQ*
 23 *Sustainable Maritime Industries, Inc. Derivative Litigation*, No. 2:11-cv-00910-RSL, and stay of
 24 discovery in the State Derivative Action, *In Re HQ Sustainable Maritime Industries Derivative*
 25 *Litigation*, No. 11-2-16742-9 SEA (King County Superior Court), shall remain in effect pending
 26 further order of the Court.

27 19. Neither the Stipulation nor any provisions contained in the Stipulation, nor any

1 negotiations, statements, or proceedings in connection therewith, nor any action undertaken
2 pursuant thereto shall be construed as, or deemed to be evidence of, an admission or concession
3 on the part of the Plaintiffs, the Defendants, any member of the Class, or any other person or
4 entity, of any liability or wrongdoing by them, or any of them, or as to the strength or weakness
5 of any claim or defense, and shall not be offered or received in evidence of any action or
6 proceeding (except an action to enforce the Stipulation and Settlement contemplated hereby), or
7 be used in any way as an admission, concession, or evidence of any liability or wrongdoing of
8 any nature, and shall not be construed as, or deemed to be evidence of, an admission or
9 concession that Plaintiffs, any member of the Class, any present or former stockholder of HQSM,
10 or any other person or entity, has or has not suffered any damage.

11 20. Any submission to the Court in support of approval of the Settlement or the Plan
12 of Allocation, or in support of Lead Counsel's application for an award of attorney's fees and
13 reimbursement of expenses, shall be filed no later than twenty-one (21) calendar days before the
14 date scheduled for the Settlement Fairness Hearing.

15 21. Any response to any timely-filed objection to the Settlement, Plan of Allocation or
16 application for an award of attorneys' fees and reimbursement of expenses shall be filed no later
17 than seven (7) calendar days before the date scheduled for the Settlement Fairness Hearing.

18 22. The Court authorizes payment out of the Settlement Fund of the expenses
19 described in paragraph 9 of the Stipulation.

23. The passage of title and ownership of the Settlement Fund to the Escrow Agent in
accordance with the terms of the Stipulation is approved. No person or entity that is not a Class
Member or counsel for the Lead Plaintiff shall have any right to any portion of, or interest in the
distribution of, the Settlement Fund unless otherwise ordered by the Court or otherwise provided
in the Stipulation.

25 SIGNED this ____ day of ____, 2012.

Honorable Robert S. Lasnik
United States District Judge